

**House Study Bill 672 - Introduced**

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE  
ON REBUILD IOWA AND  
DISASTER RECOVERY BILL  
BY CHAIRPERSON SCHUELLER)

**A BILL FOR**

1 An Act relating to emergency management by creating an  
2 emergency management trust fund, creating certain insurance  
3 policy surcharges, and making appropriations.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. **29C.8B Emergency management trust**  
2 **fund.**

3 1. An emergency management trust fund is created in the  
4 state treasury under the control of the homeland security  
5 and emergency management division for purposes of funding  
6 county emergency management programs. The trust fund shall  
7 consist of surcharges imposed pursuant to subsection 2, moneys  
8 appropriated by the general assembly, and moneys available to  
9 and obtained or accepted by the division from the United States  
10 or private sources for placement in the trust fund. Moneys  
11 in the trust fund are appropriated to the division for the  
12 purposes provided in this section. Section 8.33 shall not  
13 apply to moneys in the trust fund. Notwithstanding section  
14 12C.7, moneys earned as income or interest from the trust fund  
15 shall remain in the trust fund until expended as provided in  
16 this section.

17 2. The following surcharges shall be applied, remitted  
18 to the department of revenue, and deposited in the emergency  
19 management trust fund:

20 a. An annual surcharge of one dollar per policy shall be  
21 charged on every individual renter's insurance policy issued or  
22 renewed on or after July 1, 2010.

23 b. An annual surcharge of two dollars per policy shall  
24 be charged on every homeowner's, mobile homeowner's, and  
25 condominium unit owner's insurance policy issued or renewed on  
26 or after July 1, 2010.

27 c. An annual surcharge of four dollars per policy shall be  
28 placed on every commercial fire, commercial multiple peril, and  
29 business owner's insurance policy issued or renewed on or after  
30 July 1, 2010.

31 3. The insurer shall collect the surcharges required in  
32 subsection 2 and remit such charges to the department of  
33 revenue for deposit in the emergency management trust fund.

34 4. The surcharges required in subsection 2 shall not be  
35 considered premiums of the insurer; however, nonpayment of

1 a surcharge by the insured may be a valid reason for policy  
2 cancellation.

3 5. Moneys in the emergency management trust fund shall be  
4 used and distributed as follows:

5 a. Fifty percent of the available balance on June 30 of each  
6 year shall be awarded by the division through a competitive  
7 grant process to county emergency management commissions to  
8 provide funding assistance for emergency mitigation projects.  
9 In making awards of grants, the division shall consider whether  
10 the application is consistent with local hazard mitigation  
11 plans and maximizes the utilization of federal funds that  
12 benefit the greatest number of citizens. Applications for  
13 grants shall be submitted by July 1 of each year and the  
14 division shall make grant awards by August 15 of each year.

15 b. Forty-five percent of the available balance on June 30  
16 of each year shall be distributed to each county emergency  
17 management commission that is in compliance with section  
18 29C.9, to provide improved services and capabilities for  
19 preparedness, response, and recovery programs. The moneys  
20 shall be distributed as follows:

21 (1) Half of the forty-five percent shall be allocated  
22 equally to all eligible counties.

23 (2) Half of the forty-five percent shall be allocated on  
24 a proportional basis to each eligible county based on each  
25 county's annual assessed property value for property tax  
26 purposes in proportion to the total assessed property value for  
27 all the eligible counties.

28 c. Five percent of the available balance on June 30 of each  
29 year may be used by the division for purposes of administering  
30 this section.

31 6. a. By August 1 of each year, a county receiving moneys  
32 from the trust fund under subsection 5, paragraph "a", shall  
33 submit a report to the division. The report shall include  
34 information regarding the use of moneys received from the trust  
35 fund during the previous fiscal year.

1     *b.* By October 15 of each year, the division shall submit  
2 a report to the general assembly regarding the emergency  
3 management trust fund. The report shall include financial  
4 information regarding the moneys in the trust fund and  
5 information regarding the number, amount, and type of  
6 expenditures from the fund during the previous fiscal year.

7     7. The division shall adopt rules pursuant to chapter 17A  
8 necessary for the administration of this section.

9

EXPLANATION

10     This bill creates an emergency management trust fund in  
11 the state treasury under the control of the homeland security  
12 and emergency management division of the department of public  
13 defense for purposes of funding county emergency management  
14 programs. Moneys in the trust fund are appropriated to the  
15 division for the purposes provided in the bill.

16     The bill requires certain surcharges to be applied to  
17 certain types of insurance policies. The surcharges are  
18 collected by the insurer, remitted to the department of  
19 revenue, and deposited in the emergency management trust fund.  
20 The types of policies on which surcharges will be applied  
21 include individual renter's insurance policies; homeowner's,  
22 mobile homeowner's, and condominium unit owner's insurance  
23 policies; and commercial fire, commercial multiple peril,  
24 and business owner's insurance policies. The surcharges are  
25 applied to such policies both issued and renewed on or after  
26 July 1, 2010. The bill prohibits the surcharges from being  
27 considered premiums; however, nonpayment of such surcharges may  
28 be a valid reason for policy cancellation.

29     The bill provides that 50 percent of the available balance  
30 of the trust fund on June 30 of each year shall be awarded by  
31 the division through a competitive grant process to county  
32 emergency management commissions to provide funding assistance  
33 for emergency mitigation projects. The bill provides that 45  
34 percent of the available balance on June 30 of each year shall  
35 be distributed, based on a formula, to each county emergency

1 management commission that is in compliance with Code section  
2 29C.9 for providing improved services and capabilities for  
3 preparedness, response, and recovery programs. The bill  
4 provides that 5 percent of the available balance on June 30  
5 of each year may be used by the division for purposes of  
6 administering the bill.

7 The bill includes reporting requirements.